

FORTY-THIRD JUDICIAL DISTRICT

HAZEL PARK DIVISION

STATE OF MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name 43 JUDICIAL DISTRICT, HAZEL PARK DIV	County OAKLAND
Fiscal Year End JUNE 30, 2007	Opinion Date AUGUST 23, 2007	Date Audit Report Submitted to State OCTOBER 5, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

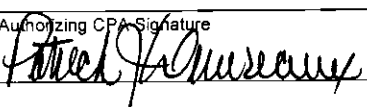
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) YOUNGBLOOD & DEVEREAUX, PC		Telephone Number 248-548-7766	
Street Address 225 S. TROY, SUITE 100		City ROYAL OAK	State MI
		Zip 48067	
Authorizing CPA Signature 		Printed Name PATRICK J. DEVEREAUX	License Number 1101009532

FORTY-THIRD JUDICIAL DISTRICT
HAZEL PARK DIVISION
STATE OF MICHIGAN

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

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OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Judge Keith P. Hunt
District Court Judge
Forty-Third Judicial District
Hazel Park Division
State of Michigan

We have audited the financial statements of the Forty-Third Judicial District, Hazel Park Division, State of Michigan, as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the administration of the Forty-Third Judicial District, Hazel Park Division, State of Michigan. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with accounting standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Forty-Third Judicial District, Hazel Park Division, State of Michigan as of June 30, 2007 and 2006, and the receipts it received and distributions it paid for the years then ended, on the basis of accounting described in Note 1.

Youngblood & Devereaux, P.C.

August 23, 2007

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Combined Statement of Assets and Liabilities
June 30, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
Checking account - General Account	\$ 24,543	\$ 20,749
Money market savings account - General Account	152,457	180,806
Petty cash - General Account	100	100
Checking account - Bond Trust Account	43,860	32,930
Due from City of Hazel Park - General Account	198	37
Due from City of Hazel Park - Bond Trust Account	<u>-</u>	<u>45</u>
Total Assets	<u>\$ 221,158</u>	<u>\$ 234,667</u>

LIABILITIES

Due to City of Hazel Park - General Account	\$ 133,480	\$ 151,234
Due to State of Michigan - Treasury Department - General Account	38,446	45,653
Due to State of Michigan - Secretary of State - General Account	1,620	1,845
Due to Oakland County - General Account	3,752	2,960
Bonds posted	<u>43,860</u>	<u>32,975</u>
Total Liabilities	<u>\$ 221,158</u>	<u>\$ 234,667</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Activity - General Account
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash balance - July 1	\$ 201,655	\$ 186,086
Receipts - page 3	<u>2,367,693</u>	<u>2,240,014</u>
Total Beginning Cash and Receipts	\$ 2,569,348	\$ 2,426,100
Distributions:		
City of Hazel Park	\$ 1,787,052	\$ 1,671,109
Oakland County (penal fines and motor carrier fees)	31,871	30,335
State of Michigan (Crime Victims' Rights Fund fees)	26,235	26,955
State of Michigan (state judgment fees)	9	-
State of Michigan (clearance fees)	23,820	24,645
State of Michigan (Juror Compensation Reimbursement fees)	23,820	24,715
State of Michigan (Civil Filing Fund fees)	76,506	67,027
State of Michigan (Justice System Fund fees)	<u>418,376</u>	<u>376,709</u>
Total Distributions	<u>\$ 2,387,689</u>	<u>\$ 2,221,495</u>
Cash Balance Before Other Receipts (Distributions)	\$ 181,659	\$ 204,605
Other Receipts (Distributions):		
Cash over (short)	\$ 34	\$ (73)
Transfers and prior year corrections - net	(34)	69
Transfer bank interest	(6,851)	(4,950)
Reimbursed bank fees	<u>2,292</u>	<u>2,004</u>
Total Other Receipts (Distributions)	<u>\$ (4,559)</u>	<u>\$ (2,950)</u>
Cash Balance - June 30	<u>\$ 177,100</u>	<u>\$ 201,655</u>
Checking account	\$ 24,543	\$ 20,749
Money market savings account	152,457	180,806
Petty cash	100	100
	<u>\$ 177,100</u>	<u>\$ 201,655</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Receipts - General Account
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Receipts (Ordinance):		
Penal fines	\$ 31,815	\$ 29,527
Penal costs	57,782	58,712
Ordinance fines and costs	1,481,868	1,344,828
Crime Victims' Rights Fund fees	28,350	30,400
Judgment fees	-	27
Bond forfeitures	19,980	37,941
Parking fines	16,985	17,735
Attorney fees	32,365	29,935
Probation breathalyzer test fees	4,420	21,128
Probation fees	29,204	43,720
Clearance fees	70,785	73,530
Justice system	413,291	379,881
Assessment fees	6,340	6,349
Pre-sentence fees	6,475	7,499
Motor carrier - misdemeanor	470	3,910
Motor carrier fees	2,825	4,678
Bench warrant service	<u>6,780</u>	<u>6,700</u>
Total Receipts (Ordinance)	\$ 2,209,735	\$ 2,096,500
Receipts (Civil):		
Civil filing fees	\$ 117,440	\$ 106,990
Garnishment, writs and subpoena fees	30,480	29,270
Marriage fees	60	-
Jury fees	650	450
Security fees	1,905	-
Miscellaneous	2,918	3,673
Interest income	6,958	5,079
Bank fees	<u>(2,453)</u>	<u>(1,948)</u>
Total Receipts (Civil)	<u>\$ 157,958</u>	<u>\$ 143,514</u>
Total Receipts	<u><u>\$ 2,367,693</u></u>	<u><u>\$ 2,240,014</u></u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Activity - Bond Trust Account
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Outstanding bonds - July 1	\$ 32,930	\$ 59,089
Receipts:		
Bonds posted	380,678	274,486
Other	<u>45</u>	<u>-</u>
Total Beginning Cash and Receipts	\$ 413,653	\$ 333,575
Distributions:		
Bonds forfeited	\$ 19,980	\$ 37,941
Bonds refunded	78,161	74,039
Bonds used to pay fines and fees	179,433	162,502
Transfer to other accounts	<u>92,219</u>	<u>26,118</u>
Total Distributions	<u>\$ 369,793</u>	<u>\$ 300,600</u>
Outstanding bonds - June 30	<u>\$ 43,860</u>	<u>\$ 32,975</u>
Checking account	\$ 43,860	\$ 32,930
Due from City of Hazel Park - bank fees	<u>-</u>	<u>45</u>
	<u>\$ 43,860</u>	<u>\$ 32,975</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Notes to the Financial Statements
June 30, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Court functions as a Trust and Agency Fund. The money that it receives is held only until it is turned over to other governmental agencies or returned to individuals from whom it was collected.

Accounting Method

The Court records financial transactions using the cash basis of accounting. Receipts are recorded when actually received and distributions are recorded when actually paid out.

Cash Balances

The Court maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Court has not experienced any losses in these accounts nor does it believe it is exposed to any significant credit risk because of these balances.

2. GENERAL ACCOUNT

	<u>2007</u>	<u>2006</u>
Money market savings account – 3.83% (3.78%)	<u>\$ 152,457</u>	<u>\$ 180,806</u>

The General Account records the receipt and distribution of criminal, ordinance, and civil fines and fees. The distributions are made in accordance with allocations determined by the State Supreme Court Administrative Office.

State of Michigan - Treasury Department	Various portions of civil filing fees - \$14, \$28, \$42, or \$119 depending on the claim One-half civil motion fees 100% of judgment fees 100% of the Justice System fees - \$10, \$40, or \$45 per offense depending on the type or seriousness 20% of demand for jury fees One-third of clearance fees 90% of Crime Victims Rights Fund
State of Michigan - Secretary of the State	One-third of clearance fees
County	100% of penal fines 30% of motor carrier fees
City of Hazel Park	100% of remainder

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Notes to the Financial Statements
June 30, 2007 and 2006

3. BOND TRUST ACCOUNT

The Bond Trust Account records the receipt and distribution of bond money. Bonds are disposed of according to the Court's direction which can mean, (a) the bond is refunded to the person who posted it; (b) the bond is turned over to the General Account as a forfeiture or fine and cost and distributed as outlined in Note 2; (c) the bond is sent to another jurisdiction if the case is being transferred there or; (d) the bond is used to pay restitution.

An aging of the outstanding bonds:

	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>120+</u>	<u>Total</u>
2007	<u>\$14,975</u> (27)	<u>\$17,410</u> (27)	<u>\$ 6,075</u> (13)	<u>\$ 2,800</u> (4)	<u>\$ 2,600</u> (4)	<u>\$43,860</u> (75)
2006	<u>\$16,040</u> (39)	<u>\$ 9,180</u> (19)	<u>\$ 4,005</u> (10)	<u>\$ 750</u> (3)	<u>\$ 3,000</u> (3)	<u>\$32,975</u> (74)

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Comments and Recommendations
June 30, 2007

BONDS

The bonds are reconciled with the cash monthly using the Court's bond accounting program. Accurate bond information is readily available on a monthly basis

TRAFFIC/PARKING TICKETS AND RECEIPTS

The control of traffic/parking tickets continues to be very good. I had no trouble finding the tickets I needed for my testing. The tickets I did look at all seemed to be properly documented making it easy to follow them through the accounting system.